



General Assembly

January Session, 2003

Raised Bill No. 934

LCO No. 3116

Referred to Committee on Banks

Introduced by:
(BA)

***AN ACT CONCERNING USE OF CONSUMER COLLECTION
AGENCIES FOR MUNICIPAL PROPERTY TAX COLLECTION.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 36a-800 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective from passage*):

3 As used in sections 36a-800 to 36a-810, inclusive, unless the context
4 otherwise requires:

5 (1) "Consumer collection agency" means any person engaged in the
6 business of collecting or receiving for payment for others of any
7 account, bill or other indebtedness from a consumer debtor or engaged
8 in the business of collecting [, without receiving,] or receiving for
9 payment property tax from a property tax debtor on behalf of a
10 municipality, including any person who, by any device, subterfuge or
11 pretense, makes a pretended purchase or takes a pretended
12 assignment of accounts from any other person or municipality of such
13 indebtedness for the purpose of evading the provisions of sections 36a-
14 800 to 36a-810, inclusive. It includes persons who furnish collection
15 systems carrying a name which simulates the name of a consumer

16 collection agency and who supply forms or form letters to be used by
17 the creditor, even though such forms direct the consumer debtor or
18 property tax debtor to make payments directly to the creditor rather
19 than to such fictitious agency. "Consumer collection agency" further
20 includes any person who, in attempting to collect or in collecting such
21 person's own accounts or claims from a consumer debtor, uses a
22 fictitious name or any name other than such person's own name which
23 would indicate to the consumer debtor that a third person is collecting
24 or attempting to collect such account or claim. "Consumer collection
25 agency" does not include (A) an individual employed on the staff of a
26 licensed consumer collection agency, or by a creditor who is exempt
27 from licensing, when attempting to collect on behalf of such consumer
28 collection agency, (B) persons not primarily engaged in the collection
29 of debts from consumer debtors who receive funds in escrow for
30 subsequent distribution to others, including, but not limited to, real
31 estate brokers and lenders holding funds of borrowers for payment of
32 taxes or insurance, (C) any public officer or a person acting under the
33 order of any court, (D) any member of the bar of this state, and (E) a
34 person who services loans or accounts for the owners thereof when the
35 arrangement includes, in addition to requesting payment from
36 delinquent consumer debtors, the providing of other services such as
37 receipt of payment, accounting, record-keeping, data processing
38 services and remitting, for loans or accounts which are current as well
39 as those which are delinquent. Any person not included in the
40 definition contained in this subsection is, for purposes of sections 36a-
41 645 to 36a-647, inclusive, a "creditor", as defined in subdivision (3) of
42 section 36a-645;

43 (2) "Consumer debtor" means any natural person, not an
44 organization, who has incurred indebtedness or owes a debt for
45 personal, family or household purposes, including current or past due
46 child support, or who has incurred indebtedness or owes a debt to a
47 municipality due to a levy by such municipality of a personal property
48 tax;

49 (3) "Creditor" means a person, including a municipality, who
50 retains, hires, or engages the services of a consumer collection agency;

51 (4) "Municipality" means any town, city or borough, consolidated
52 town and city, consolidated town and borough, district as defined in
53 section 7-324 or municipal special services district established under
54 chapter 105a;

55 (5) "Organization" means a corporation, partnership, association,
56 trust or any other legal entity or an individual operating under a trade
57 name or a name having appended to it a commercial, occupational or
58 professional designation;

59 (6) "Property tax" has the meaning given to the term in section 7-560;

60 (7) "Property tax debtor" means any natural person or organization
61 who has incurred indebtedness or owes a debt to a municipality due to
62 a levy by such municipality of a property tax.

63 Sec. 2. Subsection (c) of section 36a-805 of the general statutes is
64 repealed and the following is substituted in lieu thereof (*Effective from*
65 *passage*):

66 (c) No consumer collection agency shall receive any property tax on
67 behalf of a creditor that is a municipality, unless the agency has filed a
68 bond with the commissioner pursuant to section 36a-802, and has
69 commercial crime insurance covering its employees on a blanket basis,
70 with limits of at least two million dollars, issued by an insurer licensed
71 to do business in the state.

This act shall take effect as follows:	
Section 1	<i>from passage</i>
Sec. 2	<i>from passage</i>

Statement of Purpose:

To allow consumer collection agencies to receive payments of delinquent property taxes that such agencies collect on behalf of municipalities and to protect such payments.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]